

Out-of-State Dealers Requesting a California Title

New Policy

Effective immediately, an out-of-state dealer may request a transfer of title to their dealership name when a used vehicle is purchased at an auto auction and their home state will not accept an Application for Duplicate Title, REG 227.

NOTE The processes in this memo cannot be used for any other types of applications, such as lien sales, etc.

Procedures

Use the matrix below to determine what is needed to obtain a California title for a vehicle purchased at a wholesale auto auction by an out-of-state dealer:

<i>If documents are presented for an out-of-state dealer requesting...</i>	<i>then...</i>	<i>and the following is required...</i>
a transfer of title to the dealership name for a vehicle purchased at an auto auction using a REG 227, NOTE: If evidence that the vehicle is registered in another state is being presented to waive fees, then this process is not allowed. Process as a “Nonresident” following current procedures, if the vehicle is located in California.	the transfer is allowed	<ul style="list-style-type: none">• The vehicle must be last titled and last registered in California (expired registration is okay).• A copy of the current out-of-state dealer license issued in the name of the dealer requesting the title.• The registered owner must properly endorse the REG 227.• If there is a legal owner and the lien is being released, the REG 227 or a Lien Satisfied/Title Holder Release, REG 166, must be properly endorsed and the endorsement must be notarized.• The odometer mileage must be reported on the California title or on the Vehicle/Vessel Transfer and Reassignment Form, REG 262. Refer to Chapter 5 of the <i>Vehicle Industry Registration Procedures Manual</i>.• A copy of the auto auction invoice for the vehicle showing the vehicle description and purchaser’s name.• A Statement of Facts, REG 256, explaining the vehicle was purchased at an auto auction and the transfer of title is being requested because the dealer’s home state will not accept an Application for Duplicate Title.• All current and past California registration fees must be paid, if due.• Use tax and smog certification are not required.

Procedures continued

<i>If documents are presented for an out-of-state dealer requesting...</i>	<i>then...</i>	<i>and the following are required...</i>
the use of an alternate address for the legal owner of record from their main business address,	the registered and legal owners of record will remain the same, but the alternate address will be used for the legal owner	<ul style="list-style-type: none"> • The vehicle must be last titled in California. • A copy of the current out-of-state dealer license issued in the name of the dealer requesting the title. • A letter written on the legal owner's letterhead authorizing the use of that specific, alternate address. The letter must include the vehicle identification number and make. • The REG 227 must show the complete legal owner information in the new legal owner section. A signature on line 2 is not required.
a duplicate title for a vehicle they accepted in trade in the other state and there is no legal owner on the vehicle record,	the registered owner of record will remain the same and the out-of-state dealer may be recorded as the new legal owner	<ul style="list-style-type: none"> • The vehicle must be last titled in California. • A copy of the current out-of-state dealer license issued in the name of the dealer requesting the title. • The REG 227 must be properly endorsed by the registered owner on line 2 and the dealer must be added as the new legal owner in the appropriate section of the REG 227. • A REG 256 explaining the vehicle was accepted as a trade-in and a title is being requested because the dealer's home state will not accept an Application for Duplicate title. • All current and past due California registration fees must be paid, if due. • Use tax and smog certification are not required.
a duplicate title for a vehicle they accepted in trade in the other state and there is a legal owner ,		<p>Same as above and:</p> <ul style="list-style-type: none"> • The lien release on the REG 227 or a REG 166 must be notarized.

Background

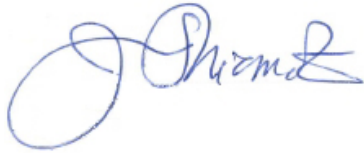
These procedures were developed to ensure the correct paperwork in titling applications is submitted from dealers and registration services processing transfer documents on behalf of out-of-state dealers who purchased vehicles from auto auctions or accepted as trade-in vehicles.

Distribution

Notification that this memo is available online, at www.dmv.ca.gov under Publications was made via California DMV's Automated E-mail Alert System in August 2011

Contact

Call the DMV Customer Communications Section, at (916) 657-6560 for further clarification of this memo. Upon request, this document can be produced in Braille or large print.

A handwritten signature in blue ink, appearing to read "J. Shiimoto", with a large, stylized loop at the beginning.

JEAN SHIOMOTO, Deputy Director
Communication Programs Division